

SALMON RECOVERY FUNDING BOARD

SUMMARY MINUTES - SPECIAL MEETING

Date: August 20, 1999 Time: 8:15 a.m.	Place: House Hearing Room A, John L. O'Brien Building Olympia, Washington
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SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
James Peters	Shelton
John Roskelley	Spokane
Steve Meyer	Executive Director, Conservation Commission
Tom Fitzsimmons	Director, Department of Ecology
Jeff Koenings	Director, Department of Fish and Wildlife
Jennifer Belcher	Commissioner of Public Lands, Department of Natural Resources
Jerry Alb	Designee, Department of Transportation

<i>A verbatim recorded tape of the meeting's proceedings is retained by IAC as the formal record of the meeting.</i>
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WELCOME AND INTRODUCTIONS

William Ruckelshaus, Chair, called the August 20, 1999 Special Meeting of the Salmon Recovery Funding Board (SRFB) to order at 8:25 a.m. He explained the role of the Board and reminded the audience that five citizen members were appointed by the Governor and are voting members; five state agency representatives serve in ex-officio capacities and are not voting members. However, their years of experience in salmon recovery are invaluable and their comments, suggestions and constructive input are encouraged.

Chair Ruckelshaus continued by saying the Board was created by SB 5595 which was passed by the Legislature and signed by the Governor. Several sections relating to specific programs were vetoed by the Governor and those programs will be discussed later in the meeting. The SRFB, as defined in statute, is charged with allocating federal or state funds made available for habitat projects, habitat recovery, restoration, preservation and programs. Efforts should be science-based to assure that funded projects are scientifically sound, connected with the overall effort of salmon recovery and the application process should be easily understood. Finally, the Board should coordinate its activities at every level of government - federal, tribal state, and local - and in the private sector to every extent possible. Success will be achieved only through a coordinated effort.

Mr. Ruckelshaus explained that he had been the President's representative to negotiations between the US and Canada resulting in amendments to the 1985 Salmon Treaty. He is currently assisting with an effort in Puget Sound which hopes to bring

environmental and business leaders together to make recommendations regarding salmon recovery and to suggest ways to assist government and private citizens.

Chair Ruckelshaus introduced Laura Johnson, Director of the Interagency Committee for Outdoor Recreation (IAC), and indicated that Laura and her staff will serve as staff for the Board.

Members of the Board were asked to introduce themselves.

Frank “Larry” Cassidy, Jr. lives in Vancouver, Washington. He served on the State Game Commission from 1973 - 1985 and is now serving on the Northwest Power Planning Council, representing Western Washington for Governor Locke. He is president of a Vancouver business.

Jennifer Belcher is the Commissioner of Public Lands and administers the state Department of Natural Resources. DNR is involved in Salmon Recovery issues on two levels: one as a major land owner in the state and one as a regulator in the forestry and surface mining arenas. As a regulator, DNR has the responsibility to protect public resources, including salmon.

Jerry Alb is the Director of Environmental Services for the Department of Transportation (WSDOT) and has been involved in environmental issues for 22 years. DOT is involved with salmon recovery because many of the problems are directly related to culverts, barriers and other issues of transportation. He encouraged the Board to take actions that are cost effective as well as environmentally sensitive.

Jeff Koenings is the Director of the Department of Fish and Wildlife (WDFW), the agency whose primary responsibility is to manage fish and wildlife resources in trust for the people of the State of Washington. The WDFW is responsible for hatcheries (working with the tribes) and salmon harvesting issues. Koenings spent 20 years doing scientific research on salmon populations and worked with the Chair on the Salmon Commission.

Brenda McMurray lives in Yakima and is currently working on a water quality project in the Yakima River Basin. She has seen the increased need for coordination between agencies and organizations as they implement on the ground projects and the need for some criteria, as well as an evaluation and monitoring process. Additionally, McMurray has been involved in conservation and environmental protection issues through Audubon and the Washington Environmental Council.

Steve Meyer is the Executive Director of the State Conservation Commission. The Commission's roles regarding salmon recovery include: 1) providing incentives to private land owners to become active partners in recovery efforts; 2) developing a limiting factors analysis in which habitat factors that are limiting fish production are identified; 3) serving as primary lead for the state on the Conservation Reserve Enhancement Program, a \$250 million riparian protection program primarily funded by US Department of Agriculture; and, 4) developing “field office tech guides” which identify design standards for agricultural operations to make sure that they are fish friendly.

John Roskelley has served a Spokane County Commissioner since 1995 and was appointed by the Governor to represent the counties. He is an author and professional photojournalist. He would like to see the Board dedicate itself to conservation and fiscal management, basing decisions on salmon recovery.

Tom Fitzsimmons is the Director of the Washington State Department of Ecology. DOE is involved in nearly aspect of the habitat of salmon and other endangered species and he is looking forward to assisting citizen members.

Jim Peters is a Squaxin Island Tribal member and Natural Resources Director. He has worked as co-manager with state agencies to assist hatcheries and harvest restoration, protecting the resource and the habitat for the past 15-20 years. He welcomes this opportunity for the state to have a clear focus on some habitat issues which will ensure a sustainable resource for the future.

Chair Ruckelshaus introduced State Representatives Bill Eickmeyer and Debbie Regala.

Director Johnson, on behalf of the IAC Committee, welcomed and congratulated the SRF Board members. She introduced staff (Carolyn Hendricks, Jim Fox, Jim Kramer, Assistant Attorney General Meredith Morton and Debra Wilhelmi) and reviewed the day's agenda. Items included:

- State Salmon Recovery Plan Overview
- Overview of SB5595
- Administrative Issues
- Early Action Projects Approved by the Interagency Review Team (IRT)
- Programs and Activities in the Vetoed Sections 22(4-5) of SB 5595
- Future Grant Cycles
- Nuts and Bolts: Ethics, Open Public Meetings Act, Lobbying, Expense Reimbursement Overview, Relations with IAC
- Schedule and Content for Future Board Meetings

ITEM 1. STATE SALMON RECOVERY PLAN OVERVIEW

Chair Ruckelshaus introduced Curt Smitch, Special Assistant to the Governor, who congratulated the Board and expressed the Governor's appreciation for Board Members agreeing to serve.

Mr. Smitch explained that the Joint Natural Resources Cabinet (JNRC) identified adequate funding as one of the key components of effective salmon recovery; however, ways to provide "adequate funding" were not clearly identified, and remain some of the most complex issues surrounding recovery. He reviewed the status of various salmon species and identified the seven Evolutionary Significant Units (ESUs) which have been used to guide the seven regions in the state where recovery of at least one species must be addressed (see meeting materials for hand-outs)

Mr. Smitch reviewed elements of the "flexible approach" as adopted by the JNRC:

- Collaborative / Incentive Based
- Performance Measures
- Some Early and Immediate Action
- Enforcement of Existing Laws
- Default Action as Needed

The 4 Hs of recovery - Harvest Management, Hatchery Management, Habitat and Hydropower - were used to define the Core Elements of Recovery. Under Habitat, two large sectors needing specific approaches to recover salmon were identified: changes in agricultural practices and forest issues. Other key habitat issues included:

- linking land use decisions and salmon recovery
- managing urban stormwater to protect streams
- ensuring adequate water in streams for fish
- clean water for fish
- fish passage barriers - providing access to habitat

Regarding the core element addressing adaptive management / monitoring, federal agencies have reported that the three tests applied to salmon recovery are: 1) substance; 2) implementation strategy ("Are there resources and default measures available for implementation?"); and 3) a mechanism for monitoring is in place.

Mr. Smitch reported that a revised draft of "Extinction is Not an Option" will go to the printer on September 10, to be closely followed by a plan which will clearly identify some early actions that the state will take to move forward on salmon recovery and build performance measures to help with accountability.

On behalf of the Governor, Mr. Smitch encouraged the Board to closely examine state salmon recovery strategies, especially as they relate to forests, agriculture and water. Other critical issues to consider include: establishing a science review process so that decisions are based on the best science; developing a governance structure with two components - policy level (what are the goals?) and the budget strategy (how should funds be allocated?); and, deciding whether to follow the lead entity model or developing a regional model.

Finally, Mr. Smitch directed members to "A Status Report of Federal Funds for Salmon Habitat, FY 99" which was distributed earlier (see meeting materials). He reported that the state could receive an additional \$18 million (\$20 million less \$2 million directly allocated to the tribes) of federal money in a block grant form which the Board will need to decide how to allocate in late September or early October.

Chair Ruckelshaus emphasized the need for a consistent, coordinated strategy and welcomed the opportunity to meet with the Governor to discuss ways to mesh the SRF Board efforts with local, state and federal efforts.

ITEM 2. OVERVIEW OF SB5595

Jim Fox reminded Members that SB5595 builds on HB2496 (Laws of 1998) and provides for:

- a "coordinated state funding process through a Salmon Recovery Funding Board"
- integration of local and regional recovery activities into a state-wide plan
- development of a coordinated and integrated monitoring process
- IAC staffs SRFB, administers grants, tracks funding
- expansion of the IRT (adds Departments of Ecology and Natural Resources)
- transitional role for IRT

- Washington salmon recovery strategy due 9/1/99
- expansion of the role of the Independent Science Panel
- refinement of the project evaluation process
- funding for projects, activities

Vetoed sections of SB5595 would have:

- created a Technical Review Team
- amended HB 2496 definitions
- earmarked specific funding amounts for fish passage and screening projects, habitat projects, conservation easements and 13 programs and activities.

Mr. Fox reviewed the duties and responsibilities of the Salmon Recovery Funding Board:

- develop procedures and criteria for allocation of funds
- provide grants for salmon recovery activities
- reports (track salmon recovery funds and report to Governor and legislature)

The primary roles of the Interagency Review Team (IRT) include:

- assist the SRFB in developing procedures and standards for funding allocation; and
- assist the SRFB in identifying the highest priority projects and activities for funding.

(See meeting materials for hand-outs)

In response to Board questions regarding lead entities and technical assistance available to local and regional groups, Mr. Fox stated that, in the future, lead entities might be widening their scope from the current responsibility of recommending projects for funding. Also, the SRF Board can choose to provide funding to lead entities to provide technical assistance.

Chair Ruckelshaus asked that staff help the Board identify the roles, responsibilities and members of the IRT, Independent Science Team and Joint Natural Resources Cabinet. He reiterated the necessity of coordinating activities with all the groups involved.

ITEM 3. ADMINISTRATIVE ISSUES

Director Johnson presented organizational and bylaw issues which will guide Board members as decision-making proceeds (see meeting materials).

Tom Fitzsimmons designated Tom Eaton to serve in the event the Director is unable to attend .

Larry Cassidy **moved** adoption of Resolution #99-01, approving the initial organizational and administrative bylaws. John Roskelley **seconded**. **MOTION CARRIED** (SRFB Resolution #99-01)

ITEM 4. EARLY ACTION PROJECTS APPROVED BY THE IRT

Tim Smith, Special Assistant to the Director of the Department of Fish and Wildlife and Chair of the Interagency Review Team (IRT), directed members to materials regarding this agenda item (see meeting materials). He introduced members of the IRT and explained the guiding principles used by the group in its deliberations.

After the Governor's action on SB5595, the IRT initiated an "early action" grant program for salmon restoration, screening, and fish passage barrier removal projects. The grant program was targeted at high priority projects that were ready for construction during 1999. Eligible applicants included cities, counties, conservation districts, Native American Tribes, non-profit organizations, state agencies and private landowners. Application packages were mailed to over 1000 potential applicants.

The state dollars available to be distributed in the 1999-01 biennium, include \$6.2 million from the state building construction account and \$30,840,000 from the Salmon Recovery Account, totaling approximately \$37 million. SB 5595 calls for two funding cycles per year (4 per biennium) so the first option the IRT considered was to fund projects using 25% of the remaining funds; second option was to take 25% of just the project side appropriation; third option was to use 33% of the project dollars. The IRT chose the third option and agreed not to exceed \$6,860,000 in awarding the salmon recovery dollars.

The IRT next decided to target the work window for this summer and fall and focused on fish passage (60%), and habitat restoration and screening projects (40%). Acquisition and easement projects were deferred.

Mr. Smith explained the Evaluation Questionnaire and a table, organized by salmon recovery regions, which identified each of the projects by name, number, sponsor, request, match and the total value of the project .

Mr. Smith responded to questions:

- If a project cannot be completed within the window of opportunity discussed earlier, the allocated funds would revert back into the pool of funds; the applicant could compete in a future funding cycle.
- For projects coming forward with a monitoring or maintenance component as a part of the proposal, those elements became requirements within the contract. The Board should establish clear and consistent requirements about the types of monitoring being required, where it is being required, where it needs to be conducted and who will be responsible for it.
- In the past, state agency projects did not compete in a large pool but were funded by dollars that were provisoed to the agencies. Language in SB5595 moved that funding into the Salmon Recovery Account and permitted agencies to be project sponsors.
- Projects in the "inventory" category, previously having contracts with the Department of Transportation, were not funded because the summer window was not crucial (i.e. individuals performing the inventories prefer to the work in the fall).

Chair Ruckelshaus called for public testimony.

Andy Ritchie

Water Resource Specialist, The Makah Tribe

Expressed opposition to the IRT's action which rearranged the lead entity priority list from the Ozette region. Also, expressed concern about project #99-1303 proposed by the Quileute Natural Resources and Rayonier Timber Company because it appears to benefit a private landowner and its cost effectiveness is questionable.

Tim Smith explained that this particular project scored very high, with an overall ranking of 9 out of 128. The field review revealed no areas of concern and staff felt it had an excellent chance of reducing sediments. Mr. Ritchie expressed his concerns that the project was on private property and was the responsibility of the landowner. Mr. Smith noted the grants program had no restrictions on land ownership. In fact, many of the projects were targeted to fund projects on private lands. Since this was not a mitigation project, the IRT felt it was worthy of funding.

Jim Peters commented that this issue is likely to come up repeatedly as the process moves forward. During forestry negotiations, the tribes compromised their position with the assurance that industry would fund solutions to these problems - not use public funds. He urged the Board to resolve these types of issues.

Mr. Patino

Representing the Quileute Natural Resources

The match for the project was provided by Rayonier and the Quileute Natural Resources wrote the grant proposal.

In response to a question from Commissioner Belcher, Dr. Paul Sekulich, WDFW, explained that an estimate made several years ago showed a minimum of 2400 barrier culverts. It was estimated that about 1400 would be on county, city or DOT land. Since inventories have begun, it has been determined that the number of barrier culverts is much larger and most are on private timberlands.

Commissioner Belcher urged the Board to gather more information before considering this important issue. During Forest and Fish negotiations, each company, including the state, was given a certain amount of time to develop a road abandonment and maintenance plan. If a majority of projects are on state and private timberlands and the problems need to be fixed, the Board may not want to exclude them from funding with public dollars.

Chair Ruckelshaus thanked Mr. Ritchie and continued by saying the IRT has looked at the projects on the list and has determined which ones will best meet the needs of the fish. The resolution before the Board provides a starting point to improve habitat. Members will need to determine whether or not they should go forward.

Will Hall

Watershed Coordinator, Snohomish Basin Salmon Recovery

Complimented the IRT's good work in a short period of time. Urged the Board to: 1) recognize the challenges of holding together local coalitions; 2) keep the process simple and straight forward; and, 3) carefully consider funding of monitoring and evaluation processes which can help answer some key questions about salmon recovery.

During Board discussion, the following comments were made:

John Roskelley: If we are funding projects for which a private landowner should be responsible under the law, enforcement becomes an issue and we need to get people out in the field to force the private landowner comply with existing laws.

Brenda McMurray: Concurred with Mr. Roskelley's comments. In addition, she encouraged applicants who received funding to provide feedback to the Board about the process.

Director Johnson: Staff will gather information from IRT and interested stakeholders and provide a report to the Board so the lessons from this grant cycle, as well as other processes, can be shared. She noted exact contract requirements (i.e. what agency will be assigned to look at projects and on what time schedule) are still being discussed.

Larry Cassidy **moved** Board approval of Resolution #99-02, providing funding for the early action salmon recovery projects as approved for funding by the Interagency Review Team. John Roskelley **seconded**.

During Board discussion Mr. Cassidy expressed support for private landowners using the public process to become better educated about salmon habitat. He also agreed that issues proposed by Mr. Roskelley and Ms. McMurray should receive Board attention.

Chair Ruckelshaus called for an oral vote. **MOTION CARRIED.**
(SRFB Resolution #99-02)

ITEM 5. PROGRAMS AND ACTIVITIES IN THE VETOED SECTIONS 22(4-5)

Jim Fox directed members to materials regarding agenda Item #5 (see meeting materials). Senate Bill 5595, as passed by the legislature, contained an appropriation of \$119 million to the Interagency Committee for Outdoor Recreation (IAC) for the Salmon Recovery Funding Board (SRFB). Sections 22(4-5) of the bill earmarked \$24.46 million for 13 specific programs and activities. Many of these are ongoing programs that have received funding in prior biennia through agency budgets. Governor Locke vetoed these sections and gave authority to the SRFB to decide how state and federal salmon recovery money is to be spent.

Representatives of the programs were asked to provide the IAC:

- a brief description of the program, including program and funding history, partner agency participation;
- a brief description of the 1999-01 work plan; and,
- funding needed (How are the funds used? How soon is funding needed?)

The Board is being asked to consider three options:

1. Full Funding. Provide funding at the full amount specified in SSB5595 for programs and activities where there was clear legislative intent that the funds be applied to a specific program, activity, agency or organization.
2. Interim Funding - IRT Recommendation. The IRT reviewed the information

submitted by program representatives, and received testimony from program representatives and the general public. The IRT recommends short-term (6 month) interim funding for most of the programs and activities.

3. Interim Funding - FY 2000. Provide funds for fiscal year 2000 (July 1-1999-June 30, 2000) for programs and activities where there was clear legislative intent that the funds be applied to a specific program, activity, agency or organization, and where an immediate decision is critical. These programs would be reviewed by the SRFB in December, 1999 for continued funding or for recommending that the legislature provide funding through individual agency budgets.

Mr. Fox described each of the 13 programs and Mr. Smith explained the IRT position on funding (see Tables 1 and 2 hand-out for details).

Protection of Critical Areas

No current program was designated for this funding. IRT and staff recommend no funding at this time. Chair Ruckelshaus stated that the Board will need to decide if programs currently being managed by specific agencies would be better suited for operational funding rather than Salmon Recovery Account funding. Mr. Roskelley suggested that this program should be funded by GMA funds.

SW WA Salmon Recovery Region

WDFW proposes to administer this grant. Funds would be used by the Lower Columbia Fish Recovery Board for project evaluation and ranking, recovery planning, public education and outreach, and watershed planning. IRT and staff recommend \$250,000 funding for one year. Mr. Fitzsimmons supported full funding for this program to serve as an incentive for other regions to become recognized by the legislature and be able to successfully compete for funds.

Chair Ruckelshaus called for public testimony.

Jeff Breckel	Executive Director, Lower Columbia Fish Recovery Board Mr. Breckel explained the role of the Board is to identify habitat projects (under SB2496), review, solicit and help develop project proposals, serve as the lead entity for a four county region, and send prioritized lists to the state. Funding for one year allows the Board to move ahead, however, he urged full funding.
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Jeff Koenings complimented the SW WA Salmon Recovery Region, commented on its success as a model which has been applauded around the state, and urged funding for two years.

Chair Ruckelshaus proposed funding for this project for one year while the SRFB determines the appropriateness of funding through this program.

Jennifer Belcher reported that the legislature debated the role of the SRFB to a considerable degree and gave the Board significant discretionary authority. Additionally, she cautioned members about supplemental budget requests to the 2000 legislature and urged the Board to fund ongoing programs for two years.

Chair Ruckelshaus introduced State Representative David Mastin.

Tom Fitzsimmons suggested using a consistent approach to funding these projects and stressed the need to address the various policy issues involved.

After a lunch break, Chair Ruckelshaus reconvened the meeting at 1:15 p.m. He reminded the audience that the Board will review each of these programs in the next few months and decisions made today will not extend throughout the entire biennium.

People for Salmon

IAC and WDFW would work with PFS to develop a budget and work plan. IRT recommends \$84,000 for six months to fund volunteer coordinators and staff recommends \$400,000.

Chair Ruckelshaus called for public testimony.

John Sayre Executive Director, NW Chinook Recovery and President, People for Salmon
Explained that People for Salmon was developed to provide support to community based salmon restoration programs.

Sally Hicks Director, People for Salmon
Urged support for full funding.

Nina Carter Program Manager, WDFW
Spoke in favor of the joint proposal (between People for Salmon and WDFW) which would: 1) provide funding for staff in 12 regional enhancement groups; 2) facilitate monitoring protocols; 3) provide training for volunteer groups; and, 4) create a network of partnerships. Requests full funding, \$1.5 million, for two years, or at the least, \$750,000 for one year.

Conservation District Activities

The Conservation Commission proposed to administer these funds which would go to the 12 Puget Sound Conservation Districts for capital expenditures, administration, planning, engineering, and overhead to benefit water quality and fish habitat. The IRT recommended \$75,000 for six months and staff recommends \$415,000 for approximately one year.

Steve Meyer explained that this program had traditionally been funded through the Conservation Commission as a line item within the operating budget and was designed to expedite activities to move the Puget Sound Water Quality Plan forward, helping private landowners deal with nonpoint issues in the 12 counties.

Director Johnson made note of an error on Resolution #99-03; \$75,000 should have been \$415,000 reflecting the recommendations made under Option 3.

Chair Ruckelshaus called for public testimony.

Don Stuart Executive Director, WA Association of Conservation Districts

Explained that funds are used to implement the recommendations of the Puget Sound Action Team Plan, especially as the Plan relates to salmon.

Monitoring Restoration

No current program was specifically designated by the legislature for this funding. WDFW proposed to use this money for the Salmon and Steelhead Habitat inventory and Assessment Project (SSHIAP) database. It would be used for data acquisition, integration, and internet access of data necessary for salmon recovery. The IRT recommends funding of \$127,500 to WDFW to develop SSHIAP database capacity for six months. Staff concurs.

Jeff Koenings explained the uses of SSHIAP and requested a total of \$250,000 to combine the data development and acquisition and complete the program. At a later date, a panel of scientists from various agencies and organizations will be asked to report to the Board. He responded to questions regarding personnel and clarified the funding request.

Conservation Service Tech Guides

The Conservation Commission indicates that a proposal at this time would be premature. Ongoing discussions with stakeholders will be completed before a proposal is forthcoming.

Stream Corridor Guidelines

Funding would assist an ongoing program for identification, development, and dissemination (including training) of standards and guidelines for stream corridor and marine shoreline salmon habitat protection and restoration. WDFW lead, with WDOE and WSDOT. The IRT proposed \$150,000 to WDFW for six months with DOT providing an additional \$300,000. Staff recommends \$600,000 to WDFW (assumes additional \$300,000 from DOT); also assumes that most of the costs of this program will be incurred in the first year.

Engineering Services and Screening, Enhancement (SSHEAR)

As defined in SB5595, "contracted engineering services for habitat restoration program" and Salmonid Screening, Habitat Enhancement and Restoration program (SSHEAR)". These are ongoing WDFW programs which provide pre-design and engineering services for project development, including project inventory and selection, functional design, preliminary permitting, and cost estimates. SSHEAR targets high priority high risk projects beyond the normal capability of most local agencies. For Engineering Services IRT recommends \$22,000 to WDFW for 6 months to develop a list of pre-qualified engineers and engineering firms; staff concurs. IRT recommends \$480,000 to WDFW for SSHEAR; staff recommends \$0, with the understanding that the SRFB would evaluate this program along with Engineering Services to ascertain the best mechanism to provide engineering services for restoration, project scoping, pre-design, design, etc.

Chair Ruckelshaus called for public testimony.

Ken Bates Chief Environmental Engineer, WDFW
Explained the process which project sponsors would use to access engineering services.

Tim Smith explained that these funds were removed from the WDFW budget and put into the Salmon Recovery Account and the agency was told to compete for the funds through the SRFB. The staffing level cannot be determined until funding dollars are confirmed.

Jeff Koenings explained that WDFW is taking a calculated risk that all funds appropriated for this program for the full biennium would be used in the first year. WDFW would redesign the program and ask the SRFB for funding for the second year.

Selective Harvesting

“Developing selective harvesting techniques and equipment.” No current program was designated. However, WDFW has an ongoing program in this area and proposes to convene an industry advisory group to help develop a selective gear development initiative, collaborate with Canada, and evaluate existing selective gear. IRT recommends \$0 funding; staff concurs. The SRFB will be asked to look more closely at this issue.

Larry Cassidy supported funding of this program and encouraged WDFW to come forward with a recommendation.

Jeff Koenings commented that selective harvesting and reducing by-catch are two very important components in the effort to protect and recover endangered fish. WDFW is requesting seed money to start the process. He recommended combining the two elements and funding each component at \$50,000 - a total of \$100,00 for both items

Jim Peters explained that this is a very crucial issue, not only for the tribes but also for industry and government. It is important that data being distributed is accurate and that the parties involved agree on the outcome.

Laura Johnson noted comments from Frank Urabeck, associated with NW Marine Trade Association and a number of fishing groups. He was unable stay for this portion of this meeting but expressed his very strong interest in and support of these issues.

Chair Ruckelshaus expressed concern that the Board was involving itself with harvest issues which he understood were not to be a part of the Board's charge. He continued by urging the Board to be very clear about the scope of its responsibilities and authority. He also reminded that audience that funding for programs being discussed should not be construed as a precedent for similar agency requests in the future.

Tom Fitzsimmons agreed. By providing funding, the Board is opening itself to serious

considerations of the program. However, if the SRFB denies funding, where should agencies be directed?

Jobs for the Environment

This is an ongoing DNR program (in coordination with WDFW) that provides grants for restoration projects using displaced natural resource workers. State and local agencies, tribes, conservation districts, nonprofit and private organizations compete for funds. The IRT recommends \$2.8 million to DNR (\$200,000 for 6 months of program administration and \$2.6 million for one grant cycle). Staff proposes \$3.0 million to DNR (\$400,000 for 1 year of program administration and \$2.6 million for one grant cycle).

Jennifer Belcher urged Board support for the staff recommendation (1 year of administrative funding) for this ongoing program which has proven to be successful. Over 900 displaced natural resources workers have been placed in well over 100 projects through this program. In response to a question, Commissioner Belcher explained that projects selected must support critical and depressed native fish stocks.

Tom Fitzsimmons suggested that projects in this program (and others) ought to come before the Board so that recovery efforts in the various programs can be coordinated.

Jennifer Belcher agreed and continued by saying that one of the greatest services the Board can provide is collecting information and coordinating project funding.

Jeff Koenings explained that the data base proposed by WDFW would contain data from all projects funded to recover salmon and would be accessible to all residents of the state.

Chair Ruckelshaus called for public testimony.

Sue Kuehl	Habitat Grants Manager, King County Water & Land Resources Supported two year funding for Jobs for the Environment and explained the program which has been operating in King County for three years.
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Larry Cassidy requested examples of projects being completed under this program.
Jennifer Belcher offered to coordinate a field tour.

Paula Mackrow	Citizen, Representing North Olympic Salmon Coalition Supported funding for Jobs for the Environment, People for Salmon and Conservation Districts. She invited Board members to Jefferson County to showcase a project involving work with those groups.
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License Buy-Back

"...buy back commercial licenses for Washington-based commercial salmon fishers

who fish in Washington or Alaska and who directly target or incidentally catch a threatened

or endangered salmon species.” IRT and staff recommend no funding (federal funds of up to \$8 are not yet available).

Chair Ruckelshaus called for public testimony.

Willy O’Neil ESA Coordinator, Associated General Contractors of Washington
Commented on four issues: 1) AGC strongly supports People for Salmon; 2) suggests that WDFW put out an RFP to ask the private sector how they might provide engineering services; 3) urges the Board to use a broad public involvement process; and, 4) develop models for lead entities.

Chair Ruckelshaus reviewed the funding provisions in Resolution #99-03. Board comments on each item included:

Larry Cassidy proposed increasing funding for the SW WA Salmon Recovery Board to \$500,000. Jim Peters requested more information on the program and urged funding as recommended by the IRT and staff (\$250,000). Other members concurred.

IAC and WDFW will work with People for Salmon to establish a budget and work plan. Members agreed to fund the program at \$400,000.

Conservation District Activities: Staff recommendation is \$415,000 for a full year of funding for this effort. Members concurred, but questioned whether this Board or the Conservation Commission should fund those kinds of activities. In an effort to cause no harm, funding will be provided while the Board continues its review.

Monitoring Restoration: This should be a program that is broadly endorsed by scientists across the state and all levels of government. The Board proposed funding at \$250,000 (for ¼ of the program) with further discussion to determine if the program should be modified somewhat as a result of scientific review.

Stream Corridor Guidelines: Together with DOT’s \$300,000, SFRB would fund the first year of the work.

Engineering Services and Screen Enhance: Fund at \$22,000 to assist with RFP or RFQ participation.

Selective Harvesting and Reducing By-Catch: \$50,000 in harvesting and \$50,000 into By-catch, with future SFRB review.

Jobs for the Environment : \$3,000,000 for one year and further SRFB review of the individual projects so efforts will be coordinated.

Larry Cassidy **moved** approval of Resolution #99-03, as amended, providing funding for programs and activities in vetoed sections 22(4-5) of 2E2SB5595:

Protection of Critical Areas	\$ 0
SW WA Salmon Recovery Region	250,000
People for Salmon	400,000
Conservation District Activities	415,000
Monitoring Restoration	250,000
Conservation Service Tech Guides	0
Stream Corridor Guidelines	600,000
Engineering Service	22,000
Screen Enhance	0
Selective Harvesting	50,000
Reducing By-Catch	50,000
Jobs for the Environment	3,000,000
License Buy-Back	0

Jim Peters **seconded. MOTION CARRIED.** (SRFB Resolution #99-03, as amended)

Jennifer Belcher asked staff to prepare a summary, by category, of anticipated federal and state funding levels and the amount which has already been committed. The legislature separately appropriated \$11 million to DNR for the forest and fish report and the new forestry module. These products, which are key elements of the Governor's salmon recovery program, are in great jeopardy based on the inability to secure additional federal funding. She encouraged Board review of the issue and suggestions regarding ways to fund the program.

Chair Ruckelshaus concurred and asked staff to clearly identify the funding sources and commitments.

Director Johnson recommended that every Board agenda include a management report, the key portion of which will be funding commitments. She also suggested requesting a report from the Governor's Salmon Office which would include information on the linkage to ongoing recovery strategy efforts.

ITEM 7. FUTURE GRANT CYCLES (Including Fall, 1999)

Jim Fox reminded member that the IRT sunsets as of July 1, 2000 and the Board will need to address future grant funding cycles.

Mr. Fox referenced two hand-outs (see meeting materials) which included a biennial calendar and illustrated statute requirements. Lead entities are required to provide lists of projects on January 1 and July 1 of each year after their local science/technical teams have gone through a local project selection, evaluation and ranking process. After the ranked project lists are submitted to the Board, they are evaluated either by the IRT or IAC staff using a team of technical experts. The Board will need to determine

the roles of IRT and IAC for the first cycle (January, 2000). However, after July, 2000

the IRT will not be playing this role. The Board will also need to establish processes and criteria and give the final approval to projects.

Tim Smith directed members to hand-outs (yellow and gray) and commented on recommendations for funding cycles, as requested by the Chair. IRT was asked to provide feedback on specific substantive issues that the Team felt the Board should address early in their deliberations. He continued by explaining the '99 cycle:

- June '99 - IRT solicited projects
- July - IRT awarded those projects and contracts were initiated
- Construction began
- Contract and protect monitoring began
- August and September - projects are monitored
- October - next cycle begins (application based on SRFB criteria)
- October - workshops
- November - solicitation of projects
- January, 2000 - project applications (including lead entity lists) due
- February - technical review
- March - Board action
- June - construction window begins

This timeline is suggested because it provides:

- 1) sufficient time to notify project sponsors of the cycle
- 2) time to complete in-stream projects before applying for new funding
- 3) 6-7 months for proposal development, application and permitting
- 4) one month to do the technical review of projects
- 5) funding awards three months before the project initiation so that sponsors have the opportunity to gear up, purchase materials and be ready to hit the ground when their permit allows.

Mr. Smith reported that several SRFB decisions are necessary to initiate the 2000 cycle:

- A. establish January and July funding cycle dates
- B. establish total dollars available for award
- C. establish eligible project types
- D. establish geographic allocations
- E. establish eligibility criteria
- F. establish scientific review process
- G. establish evaluation criteria/weighting
- H. establish process funding mechanism

Tom Fitzsimmons reported that statute requires that a habitat project list be submitted two times each year to the SRFB by a body (the Technical Review Team) which no longer exists as a result of the vetoed sections. He requested further discussion of the issue with the possible outcome that the Board has authority to establish an annual cycle, rather than bi-annual.

Chair Ruckelshaus agreed that a legal interpretation of statute requirements is needed.

He continued by reminding members that in the past funds have been available to the various agencies to conduct these grants programs through their agency budgets. Agencies were allowed to apply an indirect overhead rate to projects and use those funds to manage the grants. This time, none of those funds were available because the project dollars were appropriated to the SRFB rather than the agencies. Options available include: 1) an allocation from the salmon recovery account to support the process; 2) allowing for a percentage of the allocated funds; or, 3) seeking a legislative proviso of funds to support the effort. The Chair reported that a decision is not required at today's meeting. However, it is a critical issue to consider.

Chair Ruckelshaus called for public testimony.

John Cambalik Salmon Restoration Coordinator, North Olympic Peninsula
Lead Entity Group
Asked for clarification of the funding cycle and expressed support for flexibility in the dollar limit, timing, and type of project that could be submitted.

Paula Mackrow Administrator, North Olympic Salmon Coalition
Asked that monitoring, planning, and acquisition projects be eligible for funding in future cycles.

ITEM 9. SCHEDULE AND CONTENT FOR FUTURE BOARD MEETINGS

Chair Ruckelshaus announced that a Board retreat has been scheduled on September 15, followed by meetings on September 30 or October 1 in Vancouver. Spokane has been suggested for the site for the November meeting. He expressed his desire to meet in other places in the state, not just Olympia, so projects can be reviewed. Agenda items will include determination of the funding cycle so that the transition (from the IRT) is as smooth as possible. Guidelines and criteria for making grant applications should be simple and clear and should be developed in a relatively short period of time.

John Roskelley suggested meeting in Yakima, Wenatchee or Chelan (rather than Spokane) so the Board could see some restoration projects.

Director Johnson reminded members that a formal adoption of at least one of the proposed dates is necessary in order to make the remainder of this year's meetings into "regular meetings" under the open public meetings act. She asked if the Board would adopt September 15 (SeaTac area), and September 30 and October 1 (Vancouver) as meeting dates.

Chair Ruckelshaus suggested setting the date of October 1st and using September 30th as a back-up, if needed. The Board's work can be accomplished in one day and it

would be important to have time available to acquaint the Board with the scientific review, as suggested by Jeff Koenings.

Director Johnson urged members to set at least the first two - September 15th and October 1st - and work on the calendar for the remainder of the year at the next meeting. She repeated staff's commitment to move the meetings around the state so the Board can see projects and meet with constituents.

Larry Cassidy **moved** adoption of the proposed meeting calendar - September 15 and September 30 and October 1. Mr. Roskelley **seconded**. **Motion Carried** (SRFB Resolution #99-04, as amended).

ITEM 8. NUTS AND BOLTS: ETHICS, OPEN PUBLIC MEETINGS ACT, LOBBYING, EXPENSE REIMBURSEMENT OVERVIEW, RELATIONS WITH IAC

Director Johnson briefly reviewed the materials in the notebooks and encouraged members to contact her with any questions regarding the issues. Citizen members were reminded to contact Carolyn Hendricks before making air travel arrangements.

Chair Ruckelshaus encouraged all members to submit agenda items to the Director and to talk to the public about what this Board is doing.

Larry Cassidy announced: "I am a member of the Northwest Power Planning Council. I have no financial interest in any of the projects that we are now considering, or that we would consider. My position on the SRF Board has been reviewed by the Council's attorney and the Governor's attorney. I accept no compensation for serving in this position. Any projects that could conceivably come before this Board that would conflict with policy of the NW Power Planning Council, I would have to recuse myself and would do so."

The Chair reminded all citizen members that they should recuse themselves from participating in Board decisions which may create a conflict. He thanked the members of the Board and citizens who provided comments and suggestions.

There being no further business, the meeting was adjourned at 4:15 p.m.

SRFB APPROVAL:

William Ruckelshaus, Chair

Date

Work Session: September 15, 1999 (Seattle)

Future Meetings: September 30, and October 1, 1999 (Vancouver)